



November 30, 2009
FECI Circular No. 006-2009

General Manager
Panama City

Ref.: Detail of the 1% withholding corresponding to the month of September 2009 (received in October).

Dear General Manager:

We hereby advise you that, heeding what is stipulated by Article 2 of Law 4 of 1994, modified by way of Law 49 of 2009, it was established that:

“Article 2. In the interest rates of the local personal and commercial loans greater than five thousand Balboas (B/.5,000.00), granted by banks and financial entities starting from the going into effect of this Law, the sum equivalent to one percent (1%) a year will be included and withheld on the same amount that is used as base to calculate the interests.

Fifty percent (50%) of these sums will enter the National Treasury to pay for preferential segments that contemplate the preferential mortgage loans to which article 3 of Law 29 of 2008 refers; twenty five percent (25%) will be sent to Banco de Desarrollo Agropecuario and the remaining twenty five percent (25%) to the Special Interest Clearing Fund that the Superintendency of Banks of Panama will administer.”

In light of the above, we ask the Banks and Financial Entities to send us a report with the distribution of the amounts collected by way of 1% FECI, corresponding to the month of September 2009, that is, those sent in October. Said report must detail the following information:

- Withholdings collected between September 1 and 17, 2009.
- Withholdings collected between September 18 and 30, 2009.
- Total Withholdings collected in September 2009.
(exact amount transferred during October 2009)

So as to enforce the Law quickly, this information must be sent to the Superintendency of Banks in a term **no greater than ten (10) work days**, counted from this date.

Additionally, we advise you that according to what numeral 2 of Article 2 of Law 4 of 1994 stipulates, modified by Law 69 of 2009, the banking institutions are ordered to return the withholding corresponding to the FECI Regime that was applied since September 18, 2009 to loans guaranteed by bank deposits.

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In light of the foregoing, the Banks that must give refunds for FECI withholdings applied to loans guaranteed by savings or fixed term deposits granted since Law 49 of 2009 went in force, that is, since September 18, 2009, must present the appropriate claim before the Superintendency of Banks – FECI, which must comply with the information required by FECI Circular 002-2009, which we reiterate below:

- General data of the credit facility:
 - ✓ Name of the customer in whose favor the claim is requested.
 - ✓ Legible photocopy of the customer's cedula. (If it is a natural person)
 - ✓ Loan number, copy of said loan and its liquidation sheet.
 - ✓ Amount claimed.
- Loan payment history (which shows FECI withholding).
- Internal bank report showing the FECI payments sent to the Superintendency (Check List).
- Photocopy of the FECI payment receipts from the Superintendency of Banks of the claimed months.
- Pledged Security Contract of DPF or of the pledged savings account.
- Loan or overdraft contract (line of credit).
- Print screen (Bank's System) of the DPF pledge or of the pledged savings account.
- Photocopy of the Fixed Term Certificate of Deposit.

As stipulated by Article 4 of Law 4 of 1994, as modified by Law 49 of 2009, until the Commission comprised by the Ministry of Economy and Finances, the General Revenue Director and the Superintendent of Banks, responsible for the application of Law 4 of 1994, pronounces or enacts instruction, the Superintendency of Banks will keep executing the policies previously established by this Institution for the administration of the Special Interest Clearing Fund (FECI).

We are grateful to the general manager for giving the staff under his charge the pertinent instructions for the observance of this circular.

Attentively,

Amauri A. Castillo
Interim Superintendent

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